B. STABILITY AND SECURITY

1. There is scope for improving Asian markets for petroleum and petroleum products. The issue requires careful study and detailed consideration, primarily among experts and operators with a view to indentifying broad policy parameters that might require further consideration.

2. Prices should be sustained at levels which encourage Asian consumers to increase their purchases of Asian produce; at the same time, prices should be such as to encourage Asian producers to promote investment in oil and gas for Asian consumer destinations as an economic priority.

3. Crisscross Investments all along the entire oil and gas products chain through reciprocal investment interlocking of producers and consumers will guarantee security of both supply and demand, thus contributing to stability of prices and thereby security of both supply and demand. Thus stability of prices would encourage domestic and cross-country investment in all streams of the petroleum sector and other energy-related projects.

4. Caution must be exercised in promoting balanced investment so that over-investment does not lead to excess capacity nor under-investment to shortage of supplies.

5. Strategic storage and stockpiling contribute to security, and in this regard the valuable experience of Japan might hold significant lessons for other major consumers. However, there must be no abuse for illegitimate commercial purposes of such strategic storage and stockpiles.

6. The exchange of information and kr wledge is the key to increasing confidence on the part of both buyers and sellers.

7. The Sustainable and Flexible Energy system ("SAFE") proposed by Japan constitutes a useful framework for further consideration of issues of energy security.

8. The Iranian proposal for an Asian Bank for Energy Development merits deeper consideration.

C. SUSTAINABILITY

1. Endorsing the importance of energy conservation for the protection of the environment and issues of climate change, the need for technological in the pursuit of cleaner and more environmentally-sound fossil fuel technologies was emphasized.

2. To this end, cooperation among Asian research and development centers and the promotion of conservation awareness among the general public were recognized a key instrumentalities.

Exploration of crude oil in Rajasthan and Punjab

114. DR. NARAYAN SINGH MANAKLAO: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the quantum of crude oil explored in recent years in the State of Rajasthan and Punjab;

(b) whether Government are considering to set up any oil refinery plant in these States;

(c) if so, the details thereof, States-wise and

(d) if not, in the State of Rajasthan, the reasons therefor?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) Heavy oil and bituman were discovered in the Baghewala area of Jodhpur district in Rajasthan in the year 1991 by Oil India Limited (OIL). The in-place reserves estimate of heavy oil is 24 MMT and of bitumen, 53 MMT.

As far as private/joint venture companies are concerned, crude oil (proved initial in-place) reserves discovered in Rajasthan in recent years are about 156.2 Million Metric Tonne (MMT).

No crude oil has been discovered in Punjab yet.

(b) to (d) Hindustan Petroleum Corporation Limited (HPCL) is setting up an oil refinery at Bathinda (Punjab). Crude inputs for the refinery will be transported from Mundra port (Gujarat) through a cross-country pipleline.